

IN RE THE MATTER OF)
)
THE PROPOSED ASSUMPTION AGREEMENT)
BETWEEN MIDWEST CASUALTY)
INSURANCE COMPANY AND GENERAL)
AGENTS INSURANCE COMPANY OF)
AMERICA, INC.,)

The evidence of record has been considered and appraised. IT IS ORDERED that the Findings of Fact and Conclusions of Law of the Hearing Officer are adopted as the Commissioner's Findings of Fact and Conclusions of Law in this matter.

1. That the Petition of MCIC and General Agents for the approval of the Assumption Agreement, by which General Agents will assume all assets, liabilities and surplus of MCIC, is approved subject to the amendments hereinafter set forth.

3. That the approval of the Assumption Agreement is conditioned upon General Agents and MCIC providing to the North Dakota Department of Insurance a listing of the existing MCIC claims, existing as of December 31, 2002, together with the reserve for said claims, and then depositing \$412,545 with the Bank of North Dakota. Such amount is to be held in an interest bearing account of the North Dakota Insurance Department, in trust for General Agents. After the

end of each quarter, beginning with the quarter ending March 31,2003, General Agents shall be entitled to submit to the North Dakota Insurance Department an updated list of all claims still pending against MCIC, together with the amount of the current cumulative reserves on such claims. If the North Dakota Insurance Department does not object to the reserves or the completeness or accuracy of the list, it will notify the Bank of North Dakota, within 30 days after the submission of the updated list, to return excess funds in the trust account to General Agents. If the Department questions the accuracy or completeness of the list, or the amount of reserves, General Agents may request, pursuant to the provisions of N.D.C.C. Ch. 28-32, a hearing before the North Dakota Insurance Department on the North Dakota Insurance Department's objections. In the event General Agents is unable to satisfy any of the MCIC claims as listed with the North Dakota Department of Insurance, the North Dakota Department of Insurance shall be authorized to use the funds on deposit with the Bank of North Dakota to satisfy any such claims, and expenses related thereto.

4. Any finding of fact, designated as such, which is more appropriately a conclusion of law, and any conclusion of law, designated as such, which is more appropriately a finding of fact, shall be accorded the proper character and construed so as to give effect to all of the provisions herein.

DATED at Bismarck, North Dakota, this 26th day of March, 2003.

Jim Poolman
Commissioner
N.D. Insurance Department
600 East Boulevard Avenue, Dept. 401
Bismarck, ND 58505
(701) 328-2440